

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

September 18, 2009

An open meeting of the Nevada State Board of Accountancy was called to order at 9:30 A.M. by President, Glenn Bougie, CPA, on Friday, September 18, 2009 at the offices of Deloitte & Touche, 3883 Howard Hughes Pkwy, Suite 400, Las Vegas, NV

Board Members Present:

| | | |
|----------------------------|--|-------------------|
| Glenn D. Bougie, President | Felicia O'Carroll, Secretary/Treasurer | |
| Colleen M. Bacchus | Harry O. Parsons | Patrick M. Thorne |
| Karen Wilkes | Kathy L. Zeller | |

Board Staff Present:

Karen Peterson, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Board Coordinator

◆ ◆ ◆ ◆ CONSENT AGENDA ◆ ◆ ◆ ◆

The Consent Agenda contains matters of routine acceptance. The Board Members may approve the consent agenda items as written or, at their discretion, may address individual items for discussion or change.

- *1. Approval of July 28, 2009 & September 2, 2009 Board Meeting Minutes
- *2. Approval of Applications for Certified Public Accountant – Non Appearance

| | | | |
|------------------|-------------------|-----------------|------------------|
| Brandet Anderson | Thomas Augimeri | Charity Cage | Ryan Cupersmith |
| Wendy DeLa Torre | Marilyn Hacker | Jeffrey High | David Infuso |
| Lisa Jenkins | Ernest Jones | Sonya Laster | Shirley Loss |
| Kevin Mohler | Nicole Omps | Tammi Owens | Mia Paek |
| Anisha Patel | Leon Porter | B. Provenzano | Kavita Rivers |
| Amber Schrock | Ryan Seastrand | Julie Shaw | Megan Shinen |
| Don Spano | Mark Stewart | Jenna Sulprizio | Christine Taylor |
| Diwata Uy | Nicholas Whinnery | Mark Yingling | |
- *3. Approval of Change to License Status:

| | | |
|------------------|---------------|----------------|
| Inactive Status: | Julie Leavitt | Noel Murray |
| Retired Status: | Marilyn Dille | Ken Ketterling |
- *4. Approval of Finances:
 - A. Treasurer's Report
 - B. Motion for Signers on Bank Accounts

September 2009 Board Meeting Minutes

- *5. Approval of attendance at NASBA Annual Conference – Scottsdale, Arizona, November 1 – 4, 2009
- *6/7. Nothing placed under these agenda items.

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent items 1 – 5 with the exception of Agenda Item 4C that was moved to the regular agenda. The following Board Members abstained from voting on Approval of Applications for Certified Public Accountant for the following applications: Colleen Bacchus abstained from David Infuso, Sonya Laster, Mia Paek, Kavita Rivers, Ryan Seastrand, Mark Stewart; Patrick Thorne and Felicia O'Carroll abstained from Nicole Omps.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 4C: Approval of Finances: FY 09/10 Proposed Board Budget

The Board reviewed the information provided in connection with the proposed FY 09/10 budget. They asked a variety of questions including the contracted amounts for legal expense. Executive Director informed the Board that the contract for the Audit will expire at the end of the month. Direction was given to begin the contract process for the next three years. Motion was made, seconded and carried to approve the proposed budget as provided.

Agenda Item 8: Grievance Report and Grievance Matters.

Note: NRS 241.020 requires the Board to list individuals that may have administrative action taken against them in connection with the Board's disciplinary grievance report. The Board may convene in closed session to consider the character, alleged misconduct, professional competence or physical or mental health for any of the grievances filed with the board.
Review of Grievance Report

Motion was made, seconded and carried to go into closed session to discuss grievance matters.

Upon resumption of the open session, motion was made, seconded and carried to close complaint matter S-09-2 based on lack of cause.

Motion was made, seconded and carried to dismiss the formal complaint issued in complaint matter R-09-10 for failure to comply with the CPE requirements. The dismissal was based on the licensee's voluntarily surrendering his CPA Certificate.

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision in complaint matter N-09-8, Drew Aguilar, for failure to comply with the practice monitoring report submission program. Board Member Harry Parsons abstained from the vote.

Agenda Item 8 Continued

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision in complaint matter N-09-9, Martin Nelson, for failure to complete the required continuing education in the 2008 calendar year.

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision in complaint matter S-09-9, Tim Koch, for failure to comply with the CPE Administrative Complaint procedure for CPE required in calendar year 2008.

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision in complaint matter S-09-10, Joshua Gottesman, for failure to comply with the CPE Administrative Complaint procedure for CPE required in calendar year 2008.

Motion was made, seconded and carried in complaint matter S-09-12 to issue a formal complaint and notice of hearing for issues involved with the findings of the Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB).

Motion was made, seconded and carried to issue a formal complaint in complaint matter R-09-11 for failure to respond to the Board's CPE Documentation Audit.

Motion was made, seconded and carried to close complaint matter F-08-4 based on the information provided by the firm.

Motion was made, seconded and carried to close complaint matter F-08-9 based on the information provided by the firm.

Motion was made, seconded and carried to close the following non-license complaint matters:

- SS-09-1 Accounting Solutions LLC
- SS-09-2 Robert Felger, Felger & Associates.

Agenda Item 8A. Recommendation of Hearing Officer to Revoke the CPA Certificate of Nicholas Schiller for failure to comply with the 2008 CPE Requirements.

Motion was made, seconded and carried to approve the recommendation of Hearing Officer to revoke the CPA Certificate of Nicholas Schiller for failure to comply with the 2008 CPE requirements. Hearing Officer Felicia O'Carroll abstained from the vote.

Agenda Item 9: Report of Counsel

Nothing was discussed or reported under this agenda item.

September 2009 Board Meeting Minutes

Agenda Item 10: Report of Executive Director

A. NASBA Regional Directors Focus Questions

Executive Director provided the Board with the Regional Directors Focus Questions. The Board reviewed the information and provided responses to the questions for reporting back to NASBA.

B. NASBA/AICPA – CPA Firm Name Study – White Paper

Executive Director provided the Board with information received from NASBA/AICPA in connection with the CPA Firm Name Study. The Board did not believe this was an issue that needs to be addressed by Nevada. No comments on the white paper will be made.

C. NASBA International Regulators Conference - Summary

Harry Parsons summarized the information obtained while attending the NASBA International Regulators Conference.

Note: Bonnie Houldsworth, CPA appeared before the Board in connection with agenda items 11 – 15 and 17.

Agenda Item 11: Certificate of Attest Experience Review:

A. Board Approval of 2009 Certificate of Attest Experience Review Report

B. Board discussion of procedures when performing the attest experience review.

Bonnie Houldsworth discussed her review of the Certificate of Attest Experience Forms. A summary of the programs evolution and how the standards and review have changed over time, was presented. The Board discussed the current process for review and determined any information that validates the work that is performed in connection with gaining CPA experience should be reviewed.

Discussion was also held concerning the following areas: Inventory observation; supervisor/firm signing of the experience form; and lack of exposure to areas the form requires.

Direction was made to amend the current procedures for review of the certificate of attest experience, for final approval at the Board's next meeting in November.

Motion was made, seconded and carried to approve the 2009 Certificate of Attest Experience Forms as provided.

Agenda Item 12: Board Determination of Response to Peer Review Report and Certificate of Attest Experience Documentation: David J. Emry & Co., Ltd.

The Board reviewed the information and Mr. Emry's response and determined further information will need to be provided. Please note for the record Board Member Patrick Thorne has removed himself from any involvement, discussion and/or voting in connection with this matter, due to a potential conflict.

September 2009 Board Meeting Minutes

Agenda Item 13: Board Approval of Internal Audit Departments Quality Control Review Reports:

- A. Clark County Internal Audit Department
- B. Legislative Counsel Bureau

Bonnie Houldsworth attended the Exit Conference for the above noted Internal Audit Departments in connection with their Quality Control Review reports. Ms. Houldsworth summarized the report findings and recommended the reports be approved.

The Board determined that both programs are in compliance with NAC 628.0624 and therefore motion was made, seconded and carried to approve the recommendation of Ms. Houldsworth and the reports provided by the above noted Internal Audit Departments.

Agenda Item 14: Board Approval of 2009 Practice Monitoring Program (Peer Review) Results:

- A. 2009 Practice Monitoring Program (Peer Review) Report

Executive Director provided the Board with a summary of the 2009 Practice Monitoring Program (Peer Review) results and subsequent report. In addition, Ms. Houldsworth provided comments based on her review of the peer review reports that were submitted. Motion was made, seconded and carried to approve the report for the 2009 Practice Monitoring Program.

- B. Recommendation of Formal Complaint for Non-Response to the Board's 2009 Practice Monitoring Program

Executive Director provided the Board with a summary of the issues related to non-response, failure to provide additional documentation, and issues surrounding the peer review reports submitted. The Board reviewed the summary and directed staff to send certified letters requesting the additional documentation within a specified period of time.

Agenda Item 15: Board Review of Modifications to Experience Form:

- A. Public Accounting Experience Form
- B. Approved Department - Internal Audit Experience Form
- C. Individual Review Experience Form

Executive Director provided the Board with a summary of the past experience form and indicated that it had not been updated, outside of its appearance, since 1982. In past Board meetings, discussion was held to modify the experience form and consider new professional standards and practices in its review. The Board requested Ms. Houldsworth's review and recommended modifications to the existing form. Determination was made that the Board should utilize three forms, one for each type of experience, rather than the existing form for all purposes. The Board was provided with the new modified forms for its review. The Board discussed the amended forms and provided suggested changes.

Motion was made, seconded and carried to approve the forms provided, subject to the suggested changes as discussed.

September 2009 Board Meeting Minutes

Agenda Item 16: Application for CPA Certification – Board Determination

A. William Anstett

Appearance

9:30 AM

William Anstett came forward to discuss his Application for CPA Certification. The Board was provided with a summary of the issues surrounding Mr. Anstett's experience, specifically with a firm where the licensee has since passed away. Legal Counsel provided information where the language only gives the authority to review experience that has been signed off by a licensed CPA. The Board could not consider time sheets or W-2 documentation in connection with its experience verification for licensure. The Board discussed a variety of employment options to gain the required experience with Mr. Anstett. The Board's previous denial of the application will remain in place until additional experience information has been obtained.

Agenda Item 17: Board Review and Approval of Proposed Changes to:

A. Nevada Administrative Code (NAC) Chapter 628

Legal Counsel Karen Peterson provided a summary of the amendments made to the proposed sections of Nevada Administrative Code Chapter 628 based on the Board's previous conference call meeting. The Board reviewed the language and provided additional changes.

Motion was made, seconded and carried to approve the proposed language with amendments and directed staff and counsel to move forward with the rule making procedure under NRS 628.233B. Public Hearings will be scheduled once LCB reviews the proposed regulations.

Agenda Item 18: Board approval of 2010 Board Meeting Schedule

Motion was made, seconded and carried to approve the following 2010 Board Meeting dates and locations:

| | | | |
|--------------------|-----------|-------------------|------|
| January 11, 2010 | Las Vegas | March 1, 2010 | Reno |
| May 3, 2010 | Las Vegas | July 12, 2010 | Reno |
| September 20, 2010 | Las Vegas | November 15, 2010 | Reno |

Agenda Item 19: Report of President

A. Presentation of Plaques to retiring Board Members:
Kathy Zeller, CPA and Karen Wilkes.

The Nevada State Board of Accountancy presented plaques to the following Board Members:

Kathy Zeller, CPA in recognition for her outstanding service to the Board including officer positions of Secretary/Treasurer and President over the past six years.

Karen Wilkes in recognition for her outstanding service to the Board as its Public Member over the past three years.

September 2009 Board Meeting Minutes

Agenda Item 20: Public Comment 10:00 AM

No items were discussed under this agenda item

Agenda Item 21: Next Board Meeting: November 20, 2009 Reno